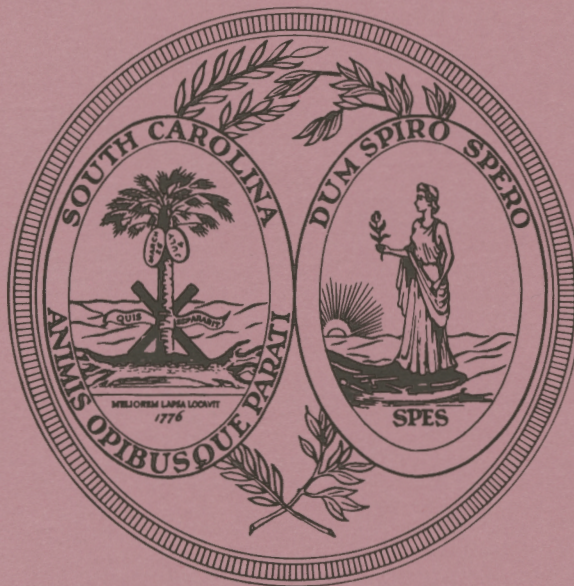


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**SOUTH CAROLINA  
COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT**



**ANNUAL REPORT  
1989-1990**

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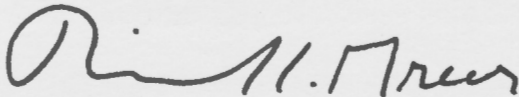
September 1, 1990

TO: His Excellency Carroll A. Campbell, Jr.,  
Governor of South Carolina, and Members of the  
General Assembly

On behalf of the South Carolina Coordinating Council for  
Economic Development, I am pleased to submit its Annual  
Report, which represents the Council's activities during  
the 1989-90 fiscal year ending June 30, 1990.

The General Assembly continues to reaffirm its  
confidence in the Council's effectiveness and efficiency  
by increasing responsibilities. We look forward to  
continuing our vigorous role in the economic well-being  
of the State of South Carolina.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R. E. Greer", written in a cursive style.

RICHARD E. GREER  
Chairman

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## STATEMENT OF PURPOSE

### AUTHORITY

The South Carolina Coordinating Council for Economic Development was created in 1986 by an Act of the General Assembly (Act 423 of 1986) and signed into law by the Governor on May 23, 1986. The purpose of the Council is to enhance the economic growth and development of the State through strategic planning and the coordination of the activities of various state and local agencies. The composition and its termination date was amended by the General Assembly in 1987 and signed into effect by the Governor on May 13, 1987.

\* Council Chairman



MEMBERS OF THE SOUTH CAROLINA  
COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT

S.C. STATE DEVELOPMENT BOARD

Mr. Richard E. Greer \*

S.C. JOBS-ECONOMIC DEVELOPMENT AUTHORITY

Mr. Robert L. Mobley

S.C. DEPARTMENT OF PARKS, RECREATION AND TOURISM

Mr. William J. Sigmon, Sr.

S.C. BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

Mr. P. Henderson Barnette

S.C. RESEARCH AUTHORITY

Mr. W. W. Johnson

S.C. PUBLIC SERVICE AUTHORITY

Mr. John S. Rainey

S.C. PORTS AUTHORITY

Mr. Robert V. Royall, Jr.

S.C. DEPARTMENT OF AGRICULTURE

The Honorable D. Leslie Tindal

S.C. EMPLOYMENT SECURITY COMMISSION

Mr. Cecil T. Sandifer

S.C. TAX COMMISSION

Mr. S. Hunter Howard, Jr.

SMALL AND MINORITY BUSINESS EXPANSION COUNCIL

The Honorable John W. Matthews, Jr.

EXECUTIVE ASSISTANT TO THE COUNCIL

Mrs. Deborah R. Bass

ADMINISTRATIVE ASSISTANT

Mrs. Debbie W. Griffin

\* Council Chairman

## HISTORY

The South Carolina Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the state. It was determined through studies done by the South Carolina Legislative Audit Council, the Business-Education Legislative Partnership Committee and the report on "Capital Markets in South Carolina" that formal establishment of the Council would enhance the economic growth and development of the State through strategic planning and coordination of those state and local agencies. Also, the Council would reduce duplication of effort, and thereby improve the economic well-being of the State's citizens.

Formally established in 1986 by the General Assembly (Act 423 of 1986), the Council is currently comprised of eleven state agency chairmen. Meeting a minimum of four times annually, the chairmen of the member agencies consider strategies which will effect an ongoing planning process as it relates to economic development on a statewide basis.

Additionally, the directors of the member agencies are requested by the individual agency chairmen to meet on a regularly scheduled basis in order to enhance the efforts of the Council to eliminate duplication of effort in all operational areas of economic development thus providing for the first time in recent history a viable communications network between the member agencies.

Among the current projects being administered by the Council are the Economic Development Set-Aside Fund, the Strategic Plan for Economic Development in South Carolina, the S.C. Infrastructure/Economic Development Program (SCIP), and the Computer Infrastructure Study. Each of these programs will provide a positive impact on economic development in the State.



## PROGRAMS

### Economic Development Set-Aside Fund

In 1987 the General Assembly passed a bill that created the "Strategic Highway Plan for Improving Mobility and Safety," better known as the SHIMS project.

This legislation provided for an additional 3 cents per gallon tax on the sale of gasoline in the state. The revenues derived from the additional tax are to be used to establish a separate highway fund for the implementation of SHIMS.

The first \$10 million generated each year from the additional tax will be used to create an "Economic Development Account"--the \$10 million set-aside fund--to be used as authorized and administered by the Coordinating Council for Economic Development.

The purpose of the fund is to enhance the economic well-being of the state by providing a quick response to project requests that have been deemed necessary for economic development, such as a new plant location or the expansion of existing business.

It was determined that in order to make South Carolina more competitive with neighboring states, improvements to the current structure of highway allocations and the programming process would need to be made.

Before the set-aside fund was established, the process used did not lend itself to tangible and immediate commitments needed by a prospective company to expand or locate in South Carolina.

Since the inception of the program in November of 1987 through fiscal year end June 1990, 88 applications have been processed, with seventy-four having been approved as follows: 1987/1988 - 14 projects, 1988/1989 - 21 projects, and 1989/1990 - 39 projects. This program has provided necessary road improvements in 32 of the State's 46 counties, creating more than 14,000 new jobs for our citizens and over \$2 billion dollars in capital investments.



Criteria and qualifications for projects include the number of jobs created or saved, the type of industry (manufacturing, distribution, warehouse, or corporate headquarters), the county in which the project is to be located or expanded, unemployment rate in that particular county, the total invested dollars (land, building, machinery and equipment cost), future tax revenues anticipated, the time frame for completion of the construction of the facility as well as road needs, funding sought from other sources and whether it is a new facility or the expansion of existing industry.

The fund is not used for the purpose of opening up access to undeveloped property; any state government funded projects; for the maintenance of industrial/research parks; shopping centers/strip malls; or the paving of parking lots.

Rather, it is used for economic development and such items as engineering, planning, developing and implementing construction of new roads or improvements and modifications to existing roads that will enhance the economic growth of the State by providing better mobility, safety and access.

County road improvement funds set aside for industrial and economic development should be utilized fully before an application is made to the Council. In order to apply for funds from the set-aside account, applicants must acquire an application from a member agency of the Coordinating Council. Upon receipt by the Council, each application is reviewed for accuracy and then considered for approval by the Council. The four member Highway Set-Aside Committee considers all requests for funding up to \$1 million. All requests in excess of this amount must be considered by the full Council.

In certain situations, it may be necessary for Council to make a commitment for funding prior to receiving an application. This commitment would be used as part of an incentive package to encourage the location of a new industry or the expansion on an existing industry. Once the company fully commits to locating or expanding in the State, the application process would occur.



PROJECT COMMITMENTS 1989/90

<u>PROJECT NAME</u>	<u>COUNTY</u>	<u>AMOUNT</u>
Horizon/Jatrel Steel	Darlington	245,000.00
Five Star Seal	Florence	220,000.00
Robert Bosch Corp.	Charleston	60,000.00
Cherokee Cty. TNS Mills	Cherokee	340,000.00
TNS Mills, Inc.	Spartanburg	312,100.00
Nippondenso America	Anderson	400,000.00
Monroe Auto Parts	Anderson	140,000.00
Town of Estill	Hampton	150,000.00
Ace Textiles	Sumter	400,000.00
Roller Bearing Company	Darlington	60,000.00
Sara Lee Corporation	Greenwood	170,000.00
Jasper County Council	Jasper	325,000.00
Internat'l Bio-Synthetics	Williamsburg	400,000.00
Teknor Apex Company	Laurens	350,000.00
United American Video	York	165,000.00
KRP Industries	Marion	360,000.00
L. G. Industries	Dorchester	55,000.00
F. Schumacher & Co.	Chester	150,000.00
Summerville Manufacturing	Dorchester	85,000.00
Ahlstrom	Pickens	250,000.00
Hitachi	Greenville	1,500,000.00
WRB Enterprises	Florence	250,000.00
Federal Paper Board	Union	7,500.00
Federal Correct. Facility	Hampton	500,000.00
Lancaster County (UPS)	Lancaster	750,000.00
Nanya Plastics Corp.	Wmburg/Flor.	510,000.00
Gold Hill Road	York	300,000.00
Santens	Anderson	241,000.00
Springs Industry	Abbeville	325,000.00
Federal Paper Board	Newberry	110,000.00
RST&B	Florence	100,000.00
Union Camp	Sumter	200,000.00
Republic Fastener Prod.	York	150,000.00
Allied Signal	Kershaw	400,000.00

**PROJECT COMMITMENTS 1989/90 - Continued**

<b><u>PROJECT NAME</u></b>	<b><u>COUNTY</u></b>	<b><u>AMOUNT</u></b>
Pohlman Steel Company	Darlington	75,000.00
Teledyne Aiken	Aiken	75,000.00
Town of Cheraw	Chesterfield	500,000.00
Confidential Project	Laurens	150,000.00
Carolina Research Pk. *	Richland	130,000.00
Screen Techs *	Kershaw	728.87
Performance Friction *	York	<u>4,735.44</u>

Approved Project Totals - FY 89-90                      \$ 10,916,064.31

Preliminary Engineering Allotment -  
SC Dept. of Hwys. & Public Transp.                      50,000.00

**Total Amount Approved - FY 89-90                      \$ 10,966,064.31**

**\* Amendments/Overages to original contracts in previous  
fiscal years**



## Strategic Plan For Economic Development

The Coordinating Council, in its enabling legislation, is charged with the responsibility of creating a strategic plan for the economic development of South Carolina. Following concepts as outlined in Leadership for Dynamic State Economics, published by the Committee for Economic Development (an independent research and educational organization of over two hundred business executives and educators), the Council determined to undertake the planning assignment through a public-private partnership of the business, government and academic sectors. This partnership would work with a nationally recognized consulting firm to research, draft, and implement an overall economic development plan for the state.

Funding for this plan was provided by the General Assembly in the SHIMS legislation of 1987 which allocated a one time expenditure not to exceed \$250,000.00.

The planning document took approximately one year to complete and it incorporated the strategic findings of the Governor's Task Force on Agriculture and Rural Development and the Council on Competitiveness.

The overall goal of the project was to develop a strategic plan or "blueprint for the future" for economic development in South Carolina. The strategic plan was developed and is being implemented based on a public-private consensus. The development of this consensus comprised a critical part of the strategic planning process.

The project was divided into two major phases-- Development of Goals and Strategy Development and Implementation. Each phase includes specific tasks as set out in the Request For Proposal. These tasks are as follows:

PHASE 1 - DEVELOPMENT OF GOALS:

- \* Analyze Economic Trends and Resources
- \* Analyze and Develop Detailed Information on Economic Opportunities
- \* Define Goals for Economic Development Strategy

PHASE 2 - STRATEGY DEVELOPMENT AND IMPLEMENTATION:

- \* Design Implementation Plan for Economic Development Strategy
- \* Establish Monitoring Procedures for Strategy Implementation

On September 22, 1989 Council had the distinct pleasure of presenting a copy of the Executive Summary of the Strategic Plan to Governor Carroll A. Campbell, Jr. and to the leadership of the General Assembly.

Council has begun the implementation process, which will first address the immediate or short-range strategies and then proceed to the more long-range strategies over the next fiscal year. Twenty-six strategies were identified containing fifty-eight initiatives. Twenty-two initiatives were acted on and implemented during FY 88-89, and a progress summary was presented to the Governor in December of 1989. Some twenty-one initiatives will be addressed in FY 89-90.

The achievement of this ambitious vision has been centered around three key goals:

- \* Increase per-capita personal income: S.C. should reach parity with the average per-capita income of its neighboring Southeast states of Georgia, North Carolina, Tennessee, Alabama, and Mississippi.
- \* Expand employment opportunities: S.C. should expand employment opportunities sufficiently to accommodate a larger population, higher labor force participation, and low unemployment levels. Accordingly, the state should maintain unemployment at or below the national average, while increasing the labor force participation rate to that of the U.S. average.



- \* Achieve balance growth in the statewide economy: S. C. should further diversify its economy and ensure that economic benefits are experienced throughout the State. Therefore, S. C. should diversify its economy both within and across the various economic sectors (with special attention given to high-value-added jobs and investments). Also, the state should reduce disparities in per-capita personal income levels among counties.

This compass for growth will encourage a competitive, market-driven economy and maintain a competitive edge for the state in an increasingly complex world economy.

#### S.C. Infrastructure/Economic Development Program (SCIP) (Geographic Information System)

During the 1987-88 legislative session, the General Assembly authorized the Coordinating Council for Economic Development to develop and implement an infrastructure/economic development model to assist in the evaluation of major state-funded highway projects in South Carolina.

Council recognized the importance of and the opportunity for creating a computerized infrastructure model that would enhance economic development through cataloguing infrastructure information, establish a cooperative regional network for technology utilization, and serve as a competitive tool for economic development. The State Development Board was designated as the project coordinator for the design and implementation of this geographical information system.

To assist in the program, a technical GIS center was established at the University of South Carolina to provide statewide technical support. The program received a major grant from the U. S. Department of Housing and Urban Development to fund the collection of water and wastewater data by the 10 regional planning commissions and the procurement of satellite land use/land cover data. A second grant was received from the Appalachian Regional Commission [ARC]) for the establishment of a regional center at the Appalachian Regional Council of Government, and model-building by Clemson University.

## ACCOMPLISHMENTS FOR FY 1989-90

1. Established Phase I or a statewide information system of 12 databases, including:

Highways	Water Systems
Rails	Wastewater Systems
Airports	Hydrography
Utilities	Available Buildings
Existing Industry	Land Cover / Land Use
Active Sites	Satellite Data
Census Data	

2. Assisted in development of prototype regional GIS center at Appalachian COG, and the development of two other centers at Catawba COG and Pee Dee COG. Developed a fee-based technical assistance and training package by USC for these centers and negotiated hardware and software discounts with vendors for the program.
3. Managed the HUD grant for data collection activities.
4. Managed the ARC grant for a research project at Clemson University and the establishment of a regional GIS center at Appalachian COG.
5. Completed a preliminary analysis of South Carolina's projected infrastructure needs.

The S. C. Infrastructure Planning Project received the 1989 Outstanding Area Research Award from the Industrial Development Research Council (IDRC).

The S.C. Infrastructure/Economic Development Program (SCIP) will provide valuable assistance to policy makers on state, regional, and local levels as critical decisions are made for the future direction of South Carolina in the areas of planning, infrastructure development, and economic development strategies.



## State Computer Infrastructure Study

During the 1989-90 session of the General Assembly, Proviso 59 of the General Appropriations Act directed the South Carolina Coordinating Council For Economic Development to "study the computer infrastructure needs of the state government." One million dollars was appropriated from the \$10 million dollar economic development fund (highway set-aside) for the purpose of conducting this study for state government. Of this appropriated amount, less than \$100,000 was expended on Phase I. The balance of the funds was carried forward in FY 90-91.

The Coordinating Council contracted with the South Carolina Research Authority and the Research and Statistical Services Division of the Budget and Control Board to assist in this study. The South Carolina Research Authority engaged the expertise of Ernst and Young to determine the general feasibility and cost savings associated with combining some of the State's current mainframe data centers.

The initial phase of the study would identify a data center configuration that (1) consolidates the State's data centers, (2) serves the current and future data processing needs of the State, and (3) has the potential for reducing the cost of data processing to the State. Once the feasibility has been identified in this initial phase, a plan for verification of the preliminary results may be prepared for a second more indepth phase. Should Phase I indicate the need to proceed to Phase II, the second phase would refine the cost savings and benefits of the suggested configuration. In addition, greater detail would be provided on the organization structure to operate and manage the conceptual data center structure, skill requirements and staffing levels would be defined, and a three-to-five year implementation plan would be prepared for migration from the current to the recommended data center structure.

Phase I has been completed and published and is available upon request.





SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY 1989-1990 \*  
OPERATING BUDGET

SOURCE OF FUNDS:

<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Earmarked</u>
Allocation for Operating and General Expenses by Agency:			
SCSDB			\$ 15,000.00
SCDA			5,000.00
SCESC			5,000.00
SCDPRT			5,000.00
TECH. EDUC.			5,000.00
SCSPA			5,000.00
SCPSA			5,000.00
SCJEDA			5,000.00
SCRA			5,000.00
SC TAX COMM.			<u>5,000.00</u>

Total Agency Contribution			\$ 60,000.00
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In-Kind Contributions:

Office Space, Personnel, Copier, Postage, and Finance/Administration			\$ 66,603.50
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\* The CCED was audited by the State Auditor's Office  
February, 1990.

SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY OF PROGRAMS  
1989-1990 \*

STRATEGIC PLAN FY 89-90

REVENUE

BEGINNING BALANCE FY 89-90	\$ 1,935.00
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EXPENDITURES: FY 89-90

Price Waterhouse	-1,935.00
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BALANCE CARRIED FORWARD FY 90-91	\$ 0.00
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SC INFRASTRUCTURE/ECONOMIC DEV. PROGRAM (SCIP) FY 89-90

REVENUE

Gas Tax 4350 FY 88-89	\$ 60,000.00
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EXPENDITURE (RECURRING)

Infrastructure Overlay Study	- 60,000.00
------------------------------	-------------

BALANCE	\$ 0.00
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SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY OF PROGRAMS  
1989-1990 \*

(Continued)

COMPUTER INFRASTRUCTURE RESEARCH STUDY FY 89-90

REVENUE

Gas Tax 4350 FY 89-90 \$1,000,000.00

Section 59, Part II, Act 189/1989

EXPENDITURES: FY 89-90

SC Research Authority -70,000.00

Research & Statistical Services Div. -20,000.00

Interrelations Study of GIS and  
State Computer Study -155,000.00

BALANCE CARRIED FORWARD FY 90-91 \$ 755,000.00

\* The CCED was audited by the State Auditor's Office  
February, 1990.

PUBLICATIONS OF  
THE SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT

State of South Carolina Coordinating Council For  
Economic Development - Meeting The Competitive  
Challenge, Volume I: Strategic Plan For Economic  
Development

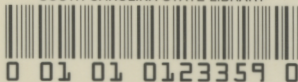
A Strategic Plan For Meeting The Competitive Challenge -  
Executive Summary

A Strategic Plan For Meeting The Competitive Challenge -  
Progress Report 1989: Summary of Major Accomplishments

State Computer Infrastructure Study: Data Center  
Consolidation Feasibility Study - Phase I

South Carolina Coordinating Council For Economic  
Development Annual Report





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**SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT**

**COMMITTEE ASSIGNMENTS**

**HIGHWAY SET-ASIDE COMMITTEE**

Richard E. Greer, Chairman  
P. Henderson Barnette  
W. W. Johnson  
S. Hunter Howard, Jr.

**LEGISLATIVE COMMITTEE**

S. Hunter Howard, Jr. Chairman  
Cecil T. Sandifer  
John S. Rainey  
Senator John W. Matthews, Jr.

**IMPLEMENTATION COMMITTEE**

S. Hunter Howard, Jr. Chairman  
Richard E. Greer  
Cecil T. Sandifer  
John S. Rainey  
Senator John W. Matthews, Jr.  
Robert L. Mobley  
Robert V. Royall, Jr.  
William Sigmon, Sr.  
Commissioner D. Leslie Tindal